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Ministry of Economic Development and Trade
Male', Republic of Maldives

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Publication of the Revised Foreign Investment Entry Requirements

The Ministry of Economic Development and Trade announces the publication of the revised Foreign Investment Entry Requirements pursuant to Section 11 of the Foreign Investment Act (Act No. 11/2024), ratified by His Excellency President Dr. Mohamed Muizzu on 03 September 2024. These revisions, endorsed by the Cabinet, reflect the Government's balanced approach to economic diversification by strengthening local industries in sectors where domestic capacity exists, while creating greater openness in areas that require foreign capital and expertise. They form part of the broader national development agenda to foster sustainable growth and investment, while safeguarding economic and national security.

The updated foreign investment entry requirements are published with this announcement as Annex I and outline which sectors are:

1. **Open** to full foreign ownership,
2. **Restricted** with joint venture or shareholding conditions, and
3. **Closed** to new foreign investment.

In consultation with the Cabinet, the Ministry considered the following factors as required by law in determining the entry requirements:

- National security implications of foreign participation,
- Impact on domestic market competitiveness,
- Readiness of Maldivian businesses in the sector,
- Need for foreign capital and expertise,
- Long-term contribution to national productivity, and
- Human capital development and effect on employment opportunities.

The new entry requirements **take immediate effect from the date of this announcement** and will remain in force until a future review is undertaken and updates, if any, are endorsed by the Cabinet and published in the Government Gazette.

Transition Arrangements for Existing Investors

As some sectors previously open to foreign investment are now restricted, the Ministry affirms that existing investors with prior approvals who have made substantial investments and long-term commitments will be provided with appropriate, time-bound transition arrangements developed aligned with international best practices. Existing investments will also be permitted to continue business operations for the duration of their approved Foreign Investment Agreement (FIA) period.



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These arrangements are designed to maintain investor confidence while ensuring fair market competition and upholding the credibility of the Government's new policy positions.

Existing investments in the restricted sectors will be honored and reviewed on a case-by-case basis, taking into account the scale of committed investment, compliance with regulatory requirements, and contribution to the national economy. During the transition period, businesses will not be permitted to expand in restricted sectors and must take steps to achieve full compliance by the end of the allowed period. The transition framework that will be applied is set out in Annex II of this announcement.

A Foreign Investment Transition Committee, established under the Ministry, will determine applicable timelines and the scope of operations eligible for transition. Transition periods will generally range from one to seven years, depending on sector and scale of investment.

All investors in affected sectors are required to follow the structured compliance process as noted below:

1. Submit a Transition Request Application along with required documents (e.g., tax clearance, audited financials, shareholding structure) to the Ministry at fiu@trade.gov.mv.
2. The Ministry will conduct preliminary due diligence and forward complete cases to the Foreign Investment Transition Committee.
3. The Committee may request additional documents or invite the investor to present their case before making a recommendation.
4. Final decisions will be issued through a Transition Arrangements Letter detailing timelines and exit conditions.
5. Investors may appeal the decision of the Committee, through a re-evaluation process, for a final determination.

The Ministry shall ensure that all complete applications are processed within a maximum of 60 working days.

To support a smooth and transparent transition, the Ministry will also publish:

- Document that outlines the process to be followed in applying for transitional review.

The Ministry reaffirms that it will continue to work closely with stakeholders in implementing the new Foreign Investment Entry Requirements and Transition Framework, fostering a transparent, inclusive and competitive investment climate.

8th October 2025

